

# **MINUTES**

## **Reading Parking Authority**

**22 July 2009**

The Reading Parking Authority held their meeting on Wednesday, 22 July 2009 at 5:30 P.M. in their office at 613 Franklin Street, Reading, PA.

### **Board Members Present**

George Cook, Chairman

Jack Lantrip, Vice Chairman

John M. Darlington, Treasurer, Asst. Secretary

Donna Reed, Board Member

### **Absent**

None

### **Others Present**

Lawrence Lee, Executive Director, RPA

Christina Gilfert, Finance Manager, RPA

James Lillis, Solicitor

### **Guest(s)**

Adam Mukerji, Executive Director – Redevelopment Authority

Tracy Fletcher, Fulton Bank

Daryl Peck, Concord Financial

Mike Setley, Concord Financial

Allen Shuman, Shuman Development Group

John Miskell, StreetSmart Technology

Vaughn Spencer, City Council President

Stephen DeLucas, Reading Eagle

Benjamin Spencer, Resident of 400 Block of Schuylkill Ave.

The meeting was called to order by the Chairman of the Board at 5:30 PM.

### **Public Comments**

Mr. Benjamin Spencer from the 400 block of Schuylkill Avenue appealed to the Parking Authority for assistance in cleaning up and maintaining the open lot located at 423 Schuylkill Avenue. The Executive Director explained that although we visited the area there were too many logistical problems for us to acquire the lot and provide neighborhood parking. Donna Reed suggested a meeting with herself, City council representation, Trinity Church of God, the Redevelopment Authority, Public Works Department, neighborhood watch personnel, Ms. Kelleher and others with interest in the open parking lot area. Contact information was exchanged and a meeting is forthcoming. The Executive Director did offer ticketing support for the lot and any other assistance within the purview of the Reading Parking Authority.

Mr. Miskell from StreetSmart Technology addressed the board on the status of the new meter test on the 300 and 400 blocks of Penn Street and also provided the solicitor with a draft agreement for a meter purchase/lease at the end of the test period. Mr. Miskell also indicated that the pay by cell function for the meters would be "turned on" on/about 1 Aug 09 for the second part of the evaluation phase of the meter test. Ms. Reed clarified that a special \$.25 fee for pay by phone would be charged to the credit card for utilizing the pay by cell function and that the \$.25 per transaction would be captured by the pay by cell administrator-not the Parking Authority.

### **Guest**

The Executive Director presented a brief presentation comparing the current National Penn loan for \$8.7M agreed to in Dec 08 to the proposed Build America Bond drafted at the June 2009 board of directors meeting. Basically, the BAB loan would save the Parking Authority approximately \$194,353 over the first six years of the loan. The Executive Director also presented a follow on proposal by National Penn whereby the bank would lower their 2008 previously agreed interest rate from 4.68% to 4.45% saving the Parking Authority an additional \$91,997 from 2009 thru 2015. Therefore the net gain/advantage to using the BAB would be approximately \$100,000. The Executive Director further stated that the Parking Authority would need to cover the costs of construction over the first three months (estimated at \$335,000.00) and subsequently be reimbursed by the BAB upon application approval and implementation. Further, the Parking Authority would be required to pay the interest on the loan first and then submit an application to obtain the 35% subsidy from the federal government.

Mr. Mukerji added that the annual debt savings would be approximately \$400,000.00, but Mr. Peck countered that the ceiling with the interest rates is 6.5% with the National Penn loan and with the BAB would be 9.75% after 10 years.

The Chairman of the Board announced that the \$100,000 savings over the first six years is a large amount of money and as stewards of the public's resources we must pursue the BAB. A motion was made to pursue the Build America Bond subject to formal documentation. Further to authorize the director, staff and consultants to pursue and secure the BAB financing as outlined. Motion 2009-59 was made by Mr. Lantrip and seconded by Mr. Darlington. The motion passed. The board acknowledges the analytical analysis on the part of Concord Financial and their commitment to serving the Reading Parking Authority.

Mr. Allen Shuman, Shuman Development Group, again presented his plan to renovate 645 Penn Street (Old Exide Building) and his need for parking (purchase the State lot from the Redevelopment Authority and purchase the 7<sup>th</sup> and Washington open lot from the Parking Authority). The Executive Director presented the following for consideration:

- The Parking Authority's charter is to provide safe and affordable public parking to customers living and working in the Reading downtown area. We are by law through the zoning commission the organization tasked with this endeavor. Consequently, the proposal removes valuable parking assets and conversely challenges the Parking Authority for viable customer parking.

- There are considerable parking resources available for your business use within existing and future (convention center garage) Parking Authority facilities.

- The Authority's questions the "highest and best use" of public land for the stated purpose.

- The Authority makes approximately \$10,000 per month off this lot and \$120,000 per year.

Your proposal to offer approximately \$170,000 is a gross under estimation of the property's true worth.

- There is a moral and ethical issue with selling the lot to a private developer and helping the

developer but consequently hurting another business owner (apartment building owner).

- There are approximately 62 parking spaces for apartment use and any sale would require some accommodation to these existing long term patrons of the Parking Authority.

- The proposal taxes an already burdened parking system in the downtown area (one less parking asset for the Parking Authority).

- The proposal does minimize the Parking Authority's flexibility when we are confronted with other parking challenges for the city (bike race, JW conferences, other unscheduled but necessary parking requirements for the betterment of the City of Reading) that would NOT be a concern for a private operator.

- Lastly, Commercial Core zoning prohibits private parking lot development without a variance from the zoning commission.

The Chairman of the Board restated that the Parking Authority cannot turn over a valuable asset at an extremely low price and lose the flexibility of our facility use. The Chairman further recommended that Mr. Shuman work with the Parking Authority for its parking needs.

### **Reading and Approval of the Minutes**

Motion 2009-57 was made by Mr. Lantrip to accept the minutes from the June meeting. The motion was seconded by Mr. Darlington. Since Ms. Reed was absent for the June meeting, she abstained from voting on the minutes. The motion passed.

### **Correspondence**

None

### **Executive Director's Report**

#### Convention Center Garage

The Parking Authority hosted a kick off meeting with the contractors selected for the Double Tree Convention Center garage project in June with a follow up meeting on 21 July 2009. A schedule for construction was completed by the general contractor.

The Executive Director requested that High Concrete consider using carbon fiber mesh in lieu of wire mesh to reduce potential corrosion and greatly reduce weight of the double Ts which are the primary construction material for the garage. The change will result in a refund of \$7,500 to the Parking Authority. Further, the architect will design the foundation saving 13 mini-piles due to the weight reduction saving an additional \$30,000. The redesign will cost approximately \$10,000 with a net gain of approximately \$27,000 for the change.

The Cooperative Agreement required for land closing for the convention center garage is near completion. The execution of the sale of the land was 21 July.

The Executive Director attended a Water Authority board meeting on 25 June and obtained a reduced fee for the water connection to the garage from \$30,380 to \$18,200. The Executive Director was also successful in obtaining free water for all of the RPA facilities for future use. The Parking Authority is soliciting bids for testing services (geotect, concrete, welding and other quality control testing) for the convention center garage project. Bids are due on 29 July.

#### \$6MM State Grant for the Convention Center Garage

The Redevelopment Authority in conjunction with the Parking Authority has submitted the Redevelopment Assistance Capitol Program (RACP) grant application. Receipt of the packet was acknowledged by the State of Pennsylvania.

#### High Concrete

High Concrete completed work on the exterior of the Chiarelli garage. The repairs are necessary to extend the useful life of the facility. High had agreed to do the work at no cost to the Authority. The Parking Authority will utilize Authority maintenance personnel to improve drainage in the garage and remove existing standing water after rainfall to further extend the life of the garage. The project was finished on 20 July, but additional internal repairs and cleaning will continue throughout the summer.

#### 4<sup>th</sup> and Cherry Garage

The initial contract with CPR was for \$149,000.00. The estimate for repairs was provided by our structural engineer, Wardle Engineering. However, once the concrete was removed to observe the condition of the "button head" cable structure, it was discovered that 25 of 28 cables were broken/damaged in the first two bays. Our engineer then requested that all of the cables within the "original existing garage" for a total of 210 cables be examined for structural integrity. Three

out of four of those cables were broken or damaged and will all be replaced. Additional shoring to the effected levels will be increased all the way to the ground floor to increase safety on behalf of our parkers. All cables have been excavated and the final cost for repairs will be \$776,465.

JWs have been removed from the garage for the remainder of the summer. Reading Area Community College has allowed use of Front and Washington garage for the last JW session, even though the college had previously not allowed usage when the Fall semester has started.

#### Lamar Advertising

The Executive Director is working an advertising agreement that incorporates lighted signs in the following garages: South Penn, Reed and Court, Chiarelli Plaza, Poplar and Walnut, Front and Washington and Boscov Plaza. Lamar plans to rotate signage at all the garages over time to maximize customer advertising exposure.

#### Budget Review

The Finance Manager addressed the status of Budget/Revenue for 2009.

-Operating Budget: The Authority's six month budget is at \$1,947,859 and we are currently \$41,390 under budget. It should be noted that some budget line items are paid once per year (pension) and some items paid periodically (insurance) that may skew the budge snap shot at any particular month in the year.

-Revenue Report: The Authority revenues are \$3,151 below last year's revenue at this point in time.

-Cash Flow: The cash flow as of 30 June 2009 is \$5,060,717 compared to \$7,868, 2450 in 2008. The \$4M to the city is reflected in the cash flow statement for June.

#### Motions for the Board

1. That the board passes a motion to accept the minutes from the June meeting.

Motion 2009-56.

2. That the board accepts the accounts payable from the previous meeting.

Motion 2009-57.

3. That the board authorizes the additional repairs/payments to CPR for the structural repairs to the 4<sup>th</sup> and Cherry garage in the amount of \$776,465. Motion 2009-58 was made by Mr. Lantrip and was seconded by Mr. Darlington. The motion passed. It should be noted that the additional charges to the initial contract of \$149,000 was due to unforeseen circumstances after the project had started and contract authorization to include safety threat issues to customers and the structure alike.

4. That the board authorizes the executive director, staff and consultants to pursue execution of the BAB documents in accordance with the BAB documentation presented at the meeting in the amount of \$7,000,000 with Fulton Bank to fund the construction of the convention center garage. Motion 2009-59.

5. That the board authorizes an additional payment to Tim Haahs Engineers & Architects in the amount of \$10,000 to redesign/lateral load analysis for the foundation for the convention center garage once the carbon fiber analysis is completed and approved by the architect. Motion 2009-60 was made by Ms. Reed and seconded by Mr. Lantrip. The motion passed.

6. That the board authorizes the purchase of Director and Officer Insurance from EHD (carrier National Casualty) for \$1,663.00 for insurance year 2010. Motion 2009-61 was made by Mr. Lantrip and seconded by seconded by Mr. Darlington. The motion passed.

7. That the board authorizes the executive director to pursue an advertising agreement in our parking garages with Lamar Advertising commencing on/about 1 Aug 09. Motion 2009-62 was made by Ms. Reed and seconded by Mr. Darlington. The motion passed.

#### **Solicitor's Report**

No additional report.

#### **Approval of Accounts Payable**

Motion 2009-57 was made by Mr. Darlington and seconded by Ms. Reed to accept the accounts payable. Motion 2009-57 passed.

#### **Old Business**

None

**New Business**

The Authority received a renewal for our Director and Officers Insurance with National Casualty Insurance for 2010 at a cost of \$1,663 which is a slight increase over the 2009 policy.

**Other Business**

None

**Executive Session**

Personnel matters and land acquisition were discussed.  
The meeting adjourned at 7:05 PM.

**RPA Next Regular Meeting**

The next board meeting is scheduled for 26 August 2009.